

slightly last year. Malaga and Denia continue to supply us largely with raisins and figs, and Cadiz and Oporto with wines. We are also pleased to notice that one cargo of 951 tons of coffee was received direct from Java last season.

We have called special attention to this portion of the commerce of the Dominion, because we esteem it to be of great value to the future wealth and importance of Canada, and worthy of greater encouragement than it has heretofore received. Besides the ordinary advantages arising from making direct exchanges with foreign countries, it makes us less dependent upon Great Britain and the United States for our commercial prosperity, and it gives employment to, and thus strengthens and increases our mercantile marine. Quite a respectable number of steam and sail vessels are engaged in conveying our productions to these tropical and other countries, and in bringing their products to us in return. This transportation is chiefly done by vessels owned in one or other of the Provinces composing the Dominion, and we have therefore the profits of the carrying trade as well as upon the exchanges which are effected.

With proper energy on the part of our importing merchants, backed up by the Government, which ought promptly to subsidize a line of steamers to the West Indies at least, we think this trade might be doubled in five years. Heretofore, something very like neglect has been manifested, and it is time that a new leaf was turned over. The countries referred to are quite able to absorb a much larger portion of our products than they have heretofore done, and we could also purchase more largely from them. There are, in short, the proper conditions for a much larger annual commerce than at present exists, and the public will have much cause to find fault if it continues to be hampered and restricted for want of proper facilities and a little attention.

#### BANK OF COMMERCE.

Several reports of this Bank in succession have made up a series of surprises to the shareholders and the public on account of the remarkable results shown. A net profit of \$765,514 was made in the twelve months covered by the last Report. A portion—perhaps one-fourth or one-fifth—was realized as premium on new stock; this we do not set any store by; but there still remains a handsome total of legitimate earnings that sufficiently demonstrates the wonderful vitality and reproductive power that have been infused into its operations in the

short space of five years. It is perhaps not unworthy of remark here that this success has been achieved on the very spot where the old Bank of Upper Canada ended its career in disgrace, less than six years ago.

New capital to the amount of \$1,600,000 was issued during the year, and it is intimated that a further issue of \$1,200,000 unappropriated stock will be offered the shareholders in the current year, making the total capital \$6,000,000. This is a very large sum for an institution so young to profitably employ in dull and active seasons alike, and reminds us that some suggestions of a general character at another time, respecting the advisability of such large capitals as some of our leading banks are issuing, may be opportune, for while management so unquestionably vigorous as that of the Bank of Commerce will doubtless find ample use for all their money, whether trade is dull or the reverse, the same might not hold good in other cases where the circumstances were different.

Mention is made in the Report of the appointment of an agent in New York, a necessary step, no doubt, as the Bank's operations in that centre are most likely very profitable and important. Whatever money may have been made outside, there is every reason to believe the chief reliance for profit is on the numerous country agencies; and to cite this fact is to offer the best possible illustration of the singular prosperity that has visited every district of Ontario. A summary in the President's Report of what five years of effort have achieved, gives a showing which he might fairly point to with justifiable pride, since he has fully succeeded in adding to his well-earned reputation as a successful merchant, the far more rare and therefore more honorable title of a successful banker.

#### THE FIRE INSURANCE PROBLEM.

It is in the programme sketched out by the Fire Insurance Companies for the proposed combination, to abolish commissions to brokers or runners and to customers, and to discard the practice of reinsurance. The evils growing out of these two roots are well known amongst the insurance fraternity; and we have more than once in these columns pointed out the necessity of placing some check on their operation.

We hope that while the question of commissions is under consideration, the whole subject will be reviewed. Whether the present mode of paying agents by a commission on the business done is the best that could be adopted, is, we think, a legitimate subject of enquiry.

A sound principle applicable to the con-

duct of any commercial undertaking is that all who are benefitted by its operations should be interested in its success. Applying this principle to the business of insurance, it is safe to assert that in every insurance company, the interests of all connected with it, officially, or unofficially, from the Manager to the youngest clerk, and through the whole corps of agents, from greatest to least, should be so adjusted that everyone of them would feel a direct personal and pecuniary interest in the prosperity of their company. This should also extend to every policy-holder, not one of whom should be allowed to stand in that position where the company's misfortune would be his gain. This great principle is one of the pillars of prosperity—one of the secrets of success; but it is very often utterly disregarded. It frequently happens that the various interests are not only not identical, but even antagonistic. This latter is true in every case of over-insurance, where the interest of the policy-holder and his company are directly adverse. In the case of agents paid by commissions the interests involved are not identical and concurrent, but may be said to be adverse. What an unequal contest then is it when against a Manager and a dozen directors there are arrayed an army of five hundred agents? If there be safety in numbers, then, it is not difficult to decide which is the losing cause. Yet such is the position occupied by the management of some companies. It will be said, doubtless, in reply that the agents are honorable men; so much the better; but even honorable men may sometimes be tempted aside from the strict path of duty. As they are now paid—by commission—that temptation is constantly placed in their way. It is their interest to get all the risks possible on the company's books, because the larger the business the more money for them; not necessarily so for the company as everyone knows who has had the least experience in these matters. Here it is that the two interests clash; the company often makes money by refusing business, the commission agent only by accepting it. If an agent is squarely honest, he will represent the risk truly and accurately; if not, all the circumstances which favor the risk are apt to be noted, and those which do not are conveniently disregarded; the tendency is to bend the strict line of rectitude a little round in the direction of his own pocket.

Although we have been at some pains to urge the importance of this principle as applied to insurance, we have not done so because there is much difference of opinion on the point—the rule laid down commends itself to one's common sense; but we know that it is not as fully recognized in